

HEALTH CARE FOR HOOSIERS **Indiana Checkup Plan**



Rep. Matt Pierce discusses higher education funding with Budget Subcommittee Chairman William Cochran of New Albany.

The Indiana Checkup Plan will:

- Cover up to 132,000 uninsured working Hoosiers
- Expand the CHIP program to cover up to 40,000 more Hoosier children
- Extend health coverage to more than 15,000 expectant mothers
- Provide small businesses tax credits for offering employees weight loss and smoking cessation programs
- Establish tax credits for employers who provide health insurance plans

I am pleased the General Assembly has passed major legislation to make health care coverage available and more affordable to many uninsured Hoosiers and working families struggling with ever-rising insurance costs.

Thousands of uninsured Hoosiers will gain access to health coverage through the Indiana Checkup Plan created by House Bill 1678. The various components of this plan are funded by an increase in the state's cigarette tax. Raising this tax will also discourage young people from beginning to smoke and encourage many current smokers to quit.

The legislation will also provide tax credits to businesses that begin offering employees health insurance and wellness programs. Thousands of previously uninsured children and pregnant women will now have health care coverage.

This is a major step for Indiana, but the health care system still needs significant reform. Without addressing the underlying problems of cost shifting from the uninsured to those with health insurance and the tremendous amount of money lost in the private insurance bureaucracy, the General Assembly will have to continue dealing with this issue.



**Representative
Matt Pierce**

Needs Your Opinion

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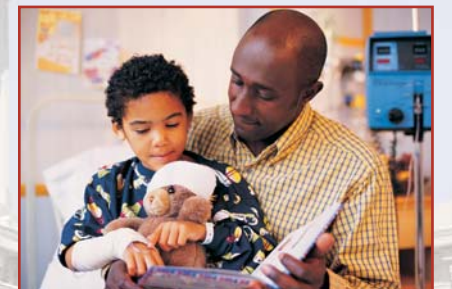
State Representative

Matt Pierce

✓ **New State Budget**
Education Funding
Increased



✓ **Affordable Health Care**
Coverage Expanded
to Thousands
of Hoosiers



✓ **Property Tax Relief**
Refunds for
Homeowners



2007 Session Report

Budget Boosts Money for Education, Health Care

Legislators worked together to approve a bipartisan state budget that increases funding for public schools, expands health care coverage for the uninsured, and provides \$550 million to limit property tax increases.

The new state budget that takes effect on July 1 provides close to a 4 percent average increase in state support for public schools in each of the next two years and increases state funding for colleges and universities by more than 4.5 percent during that time. The Indiana University



Rep. Matt Pierce talks with Rep. Eric Koch of Bedford about a bill to protect the Lake Monroe water supply from being diverted to other regions of the state.

Bloomington campus received a 6.8% increase over the next two years. IU also received additional money to make up for delayed payments and much-needed funds for repair and rehabilitation of buildings and infrastructure.

The Ivy Tech Bloomington campus received a special appropriation to pay for architectural and engineering studies for a new classroom building. This will help accelerate the expansion of the current campus that is already reaching full capacity.

The budget also gives \$300 million in property tax refunds in 2007 and increases homestead credits for homeowners by \$250 million next year.

The budget allocates more money to expand health care coverage for thousands of Hoosiers currently unable to afford health insurance.

The new budget is a significant improvement over the current budget that will end on June 30th. However, I am disappointed that the need to provide significantly more money to battle increasing property taxes crowded out other priorities like quickly expanding full-day kindergarten throughout the state. The budget does provide more than \$90 million to expand early education programs over the next two years, but I had hoped this would be the year that the General Assembly ensured every child in Indiana has the option of attending full-day kindergarten.

Indiana Minimum Wage Increases



In a victory for working families, the General Assembly passed legislation that will lead to the first increase in the state minimum wage in more than a decade. With the passage of House Bill 1027, Indiana's minimum wage will now automatically rise with the federal minimum wage, which has been only \$5.15 an hour for more than a decade.

House Democrats voted to increase the state minimum wage independent of the federal minimum set by Congress. However, the Senate rejected this approach and eventually agreed to at least adopt a law to have Indiana's minimum wage automatically track the federal minimum wage.

Not all employees are covered by the federal minimum wage, so even though a federal law has been enacted to raise it to \$7.25, some Hoosiers would have been left behind. House Bill 1027 will ensure that all of Indiana's workers will benefit from increases in the federal minimum wage.

New Legislation Will Help Military Men and Women

It is impossible to do too much for the men and women who have volunteered to serve in the armed forces, many who have been deployed to fight in Iraq and Afghanistan. I joined my fellow legislators in supporting several new laws to help members of the armed forces, veterans and their families. Some highlights of those laws include:

- Exempting active duty pay earned by National Guard members from state income tax;
- Allowing the spouse, parent, grandparent or sibling of an active duty soldier who is being deployed overseas to take up to 10 days of unpaid leave from their job;
- Granting high school diplomas to Korean War and Vietnam War veterans whose military service prevented them from graduating;
- Reforming a scholarship program for National Guard members whose education has been interrupted by a call to active duty; and
- Allowing active duty military personnel stationed in Indiana to attend state colleges or universities at the in-state tuition rate.



Property Taxes

The end of the last legislative session was dominated by the issue of property taxes. Late in the session, legislators received projections from the non-partisan Legislative Services Agency estimating that, on average, property taxes would increase by more than 20 percent this year.

Many factors are causing the projected increases, including the 2005 budget written by Republican leaders that shifted hundreds of millions of dollars onto property taxes, the first reassessment of property values in six years known as "trending," and the completed phase out of the business inventory tax that resulted in the lost revenue being made up through property taxes. It's important to know that the projected increases are statewide averages, and Monroe County officials expect most property owners will avoid such dramatic increases.

To help soften the impact on those property taxpayers that might see significant increases, I supported legislation that provides \$550 million in additional property tax relief over the next two years. Homeowners will benefit from \$300 million in increased 2007 Homestead Credits in the form of a rebate sent later this year. In 2008, another \$250 million worth of Homestead Credits will be applied directly to tax bills.

However, more needed to be done than just putting band-aids on the existing property tax system. For several years now, I have been working for comprehensive reform of Indiana's tax system. It's time to take a long, hard look at our tax system and find ways to make it better match people's ability to pay.

While I continue to work for comprehensive tax reform, I am pleased the General Assembly made some movement toward a more permanent, long-term framework for reducing local government's dependence on property taxes. Local officials now have the flexibility to use county option income taxes to reduce the reliance on property taxes and to pay for essential public safety services like police and fire protection.



Rep. Matt Pierce debates legislation in the House Chamber.